

RESIDENTIAL

After Recording Return To:

DEED OF TRUST

This Deed of Trust is intended to be a legal and binding agreement. If it is not understood, seek competent legal advice before signing.

BETWEEN: _____ (“Seller/Beneficiary”)

AND: _____ (“Buyer/Grantor”)

AND: _____ (“Trustee”)

Seller/Beneficiary has agreed to sell to Buyer/Grantor certain real property generally described as: *(insert street address, city, state, zip code)* _____

and legally described in Exhibit A attached (the “Property”). The following provisions represent the terms and condition of Seller’s/Beneficiary’s security interest in the Property for repayment of Buyer’s/Grantor’s Promissory Note, which accompanies this Deed of Trust:

CONVEYANCE AND GRANT

For valuable consideration, Buyer/Grantor conveys to Trustee for the benefit of Seller/Beneficiary, all Buyer’s/Grantor’s right, title, and interest in and to the Property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, and irrigation rights; and all other rights, royalties, and profits relating to the Property, including without limitation all minerals, oil, gas, geothermal, and similar matters.

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DEFINITIONS

The following words will have the following meanings when used in this Deed of Trust. Terms not otherwise defined in this Deed of Trust will have the meanings attributed to them in Oregon's trust deed law and the Uniform Commercial Code.

(a) **Deed of Trust.** The words "Deed of Trust" means this Deed of Trust among Buyer/Grantor, Seller/Beneficiary, and Trustee, and includes, without limitation, all assignment and security interest provisions relating to all rents and profits therefrom.

(b) **Indebtedness.** The word "Indebtedness" means all amounts owing under the Promissory Note (including but not limited to principal, interest, costs, charges, late fees and attorney fees), and any amounts expended or advanced by Seller/Beneficiary to discharge obligations of Buyer/Grantor, or expenses incurred by Trustee or Seller/Beneficiary to enforce obligations of Buyer/Grantor under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

(c) **Property.** The word "Property" will, where applicable, collectively mean the above identified Property together with all associated fixtures and, where applicable, all personal property.

(d) **Promissory Note (Maturity Date)** means the agreement dated (*insert date*) _____ (the "Note" or the "Promissory Note") between Buyer/Grantor and Seller/Beneficiary in the principal amount of \$ _____. The maturity date of the Promissory Note will be (*insert date*) _____, at which time, unless fully amortized, the entire unpaid principal balance, including accrued interest, and all costs, charges and expenses due under the Promissory Note will be paid in full.

(e) **Trustee.** The word "Trustee" means the above-identified title insurance company, and any substitute or successor trustee.

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TERMS

This Deed of Trust is given to secure: (a) payment of the Indebtedness identified in the Promissory Note; (b) performance of any and all obligations of Buyer/Grantor under the Promissory Note; and (c) performance of any and all obligations of Buyer/Grantor under this Deed of Trust.

THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

1. TAXES; LIENS; HOA/UOA ASSESSMENTS:

1.1. Payment of Taxes and Assessment. All real property taxes and assessments levied against the Property for the current tax year will be prorated between Seller/Beneficiary and Buyer/Grantor as of the closing date identified in the Sale Agreement (“Sale Agreement”). Buyer/Grantor will pay when due all taxes and assessments levied against the Property after the closing date. Buyer/Grantor may elect to pay assessments in accordance with any available installment method. For property taxes, all payments will be made no less frequently than one-third each on November 15, February 15, and May 15 (or the following business day) of each fiscal tax year. Buyer/Grantor will provide Seller/Beneficiary with written evidence all taxes and assessments have been paid within ten (10) days after each required payment. If applicable, until the current fiscal year’s property taxes are known, Buyer/Grantor’s tax payments will be calculated upon the prior fiscal year’s taxes, with the parties reconciling and paying/reimbursing any shortfall or overage before November 1 of the then-current fiscal year.

1.2. Right to Contest. If Buyer/Grantor objects in good faith to the validity or amount of any tax or assessment, Buyer/Grantor, at Buyer’s/Grantor’s sole expense, may contest the validity or amount thereof, provided Seller’s/Beneficiary’s security interest in the Property is not jeopardized.

1.3. Tax Statements. Buyer/Grantor will provide Seller/Beneficiary with a copy of the annual property tax statement promptly upon receipt, but in no event later than November 1, of each fiscal tax year.

1.4. Prohibition Against Encumbering Property. Excepting only unpaid property taxes or assessments not yet due, Buyer/Grantor will not allow the

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Property to be encumbered by any liens as long as any sums remain due to Seller/Beneficiary under this Deed of Trust or accompanying Promissory Note. In the event a contractor's lien is filed against the Property, if Buyer/Grantor executes a bond or deposits cash pursuant to [ORS 87.076](#), Buyer/Grantor will have the right to contest same without constituting an Event of Default as more fully described in Section 9 (Events of Default).

1.5. Association Dues/Assessments. If applicable, Buyer/Grantor will pay when due all dues, assessments, and other charges levied by the Homeowners' Association ("HOA") or Unit Owners' Association ("UOA") and provide Seller/Beneficiary with written evidence of such payment within ten (10) days after each required payment.

2. POSSESSION: Buyer/Grantor will be entitled to possession of the Property from and after the closing date and possession as identified in the Sale Agreement between the parties.

3. MAINTENANCE; ALTERATIONS:

3.1. Maintenance. Buyer/Grantor will keep all buildings, other improvements, and landscape now existing, or will be placed on the Property, in good condition and repair as of the date Buyer/Grantor is entitled to possession, and will not permit any waste, damage, or removal of improvements, nor make any substantial improvements or alterations to the Property that would reduce the value of Seller's/Beneficiary's security interest in the Property.

3.2. Prohibited Activities. Buyer/Grantor will not use or permit the use of all or any of the Property for conduct or activity constituting a violation of any federal, state, or local laws or ordinances. Buyer's/Grantor's use of the Property for any legal purpose under Oregon law, but prohibited under federal law, will not constitute a violation of this Deed of Trust or accompanying Promissory Note, unless there is clear and convincing evidence such use, or intended use, would reduce the value of Seller's/Beneficiary's security interest in the Property.

3.3. Hazardous Substances. Buyer/Grantor will comply fully with all laws pertaining to the protection of human health and the environment, and will not store, handle, or dispose of any hazardous substances at the Property. Buyer/Grantor will indemnify, defend, and hold harmless Seller/Beneficiary

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from and against all claims, causes of action, losses, damages, costs, response costs and expenses, liabilities, and other expenses caused by, arising out of, or in connection with the generation, release, handling, storage, discharge, transportation, deposit or disposal in, on, under or about the Property by Buyer/Grantor or any agents, representatives or contractors of Buyer/Grantor of the following: hazardous materials, hazardous substances, ultrahazardous materials, toxic wastes, toxic substances, pollutants, radioactive materials, petroleum products, underground tanks, oils, pollution, asbestos, PCBs, materials, or contaminants, as those terms are commonly used or as defined by any present or future federal, state, or local law or regulation related to the protection of health or the environment.

4. INSURANCE:

4.1. Property Damage/Flood Insurance. Buyer/Grantor will procure and maintain a policy of fire and casualty insurance with standard extended coverage endorsements on a replacement cost basis covering all improvements on the Property in an amount not less than the full replacement value of the residence and any structures located upon the Property. Additionally, if the Property is located in a designated flood plain, Buyer/Grantor will secure a policy of flood insurance reasonably satisfactory to Seller/Beneficiary. The policies will be primary with respect to all covered risks, will identify Seller/Beneficiary as a named insured, and will be written in such form with such terms and by such insurance companies reasonably acceptable to Seller/Beneficiary. Buyer/Grantor will deliver to Seller/Beneficiary a certificate of coverage from the insurers containing a stipulation coverage will not be cancelled or diminished without a minimum of thirty (30) days' written notice to Seller/Beneficiary. In the event of any insured loss covered by insurance, Buyer/Grantor will give immediate notice to Seller/Beneficiary. Seller/Beneficiary may make proof of loss if Buyer/Grantor fails to do so within fifteen (15) days of the casualty event.

4.2. Application of Proceeds. All proceeds of any insurance on the Property will be paid to and held by Seller/Beneficiary. If Buyer/Grantor elects to restore the Property, Buyer/Grantor will, through an Oregon licensed and bonded contractor, repair or replace the damaged or destroyed improvements in a workmanlike manner reasonably satisfactory to Seller/Beneficiary. Seller/Beneficiary will timely release such funds to any contractor to whom payment is due upon satisfactory proof of completion of their labor and

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materials and the appropriate lien release. If there are any insurance funds remaining after completion of all necessary restoration consistent with this section, the balance will be applied to principal reduction under the Promissory Note accompanying this Deed of Trust. If Buyer/Grantor elects not to restore the Property, at the election of Seller/Beneficiary, Seller/Beneficiary will retain a sufficient amount of the proceeds to pay all amounts owed Seller/Beneficiary under this Deed of Trust and accompanying Promissory Note, and will pay the balance, if any, to Buyer/Grantor.

5. INDEMNIFICATION:

5.1. Buyer/Grantor. Buyer/Grantor will indemnify and hold Seller/Beneficiary harmless and, at Seller's/Beneficiary's election, defend Seller/Beneficiary from and against any and all claims, losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with Buyer's/Grantor's possession or use of the Property after the closing date.

5.2. Seller/Beneficiary. Seller/Beneficiary will indemnify and hold Buyer/Grantor harmless and, at Buyer/Grantor's election, defend Buyer/Grantor from and against any and all claims, losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with Seller/Beneficiary's possession or use of the Property on or before the closing date.

6. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF SELLER/BENEFICIARY:

6.1. Covenants of Title. Buyer/Grantor warrants Buyer/Grantor is the owner of insurable title to the Property, and same is free of all liens and encumbrances excepting those Exceptions Nos. _____, contained in the latest Preliminary Title Report ("Report") issued by _____, dated _____, Order No. _____ ("Report").

6.2. Authority. Seller/Beneficiary and Buyer/Grantor mutually represent to the other they have obtained all requisite authorizations for the execution and delivery of this Deed of Trust and accompanying Promissory Note.

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6.3. Nonforeign Status. Seller/Beneficiary is not a “foreign person” as defined in 26 U.S.C. § 1445 (Withholding of tax on dispositions of United States real property interests).

6.4. No Warranties; AS-IS. Subject only to those representations made by Seller/Beneficiary in the Seller’s Property Disclosure Statement, if applicable, the Sale Agreement with Buyer/Grantor, and those warranties of title contained in the Deed transferred upon closing, as defined in the Sale Agreement, Seller/Beneficiary makes no other representations or warranties, express or implied, as to the Property, its condition, or state of repair, it being understood by all parties the Property is transferred to Buyer/Grantor in its as-is condition as of the closing date.

6.5. Survival of Representations. Those representations in the Seller’s Property Disclosure Statement, if applicable, and Sale Agreement between Seller/Beneficiary and Buyer/Grantor will survive Closing, and become a part of this Deed of Trust and accompanying Promissory Note.

7. TITLE INSURANCE: Upon Closing, Seller/Beneficiary, at Seller’s/Beneficiary’s cost, will furnish Buyer/Grantor with an owner’s policy of title insurance in the amount of the purchase price set forth in the Sale Agreement with those exceptions contained in the Report identified in Section 6.1 (Covenants of Title).

8. DEED OF RECONVEYANCE: If Buyer/Grantor pays all sums due under this Deed of Trust and accompanying Promissory Note when due, and performs all other obligations imposed thereunder, Seller/Beneficiary will execute and deliver to Trustee a request for full reconveyance, which will execute and record a Deed of Reconveyance in the public records of the county in which the Property is located. Any reconveyance fee required by the Trustee will be paid by Buyer/Grantor.

9. EVENTS OF DEFAULT: Time is of the essence of this Deed of Trust and accompanying Promissory Note. A default will occur under any of the following circumstances:

9.1. Ten Day Grace Period. If Buyer/Grantor fails to pay any sums due under this Deed of Trust or accompanying Promissory Note following ten (10) days’ written demand from Seller/Beneficiary issued after its due date.

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9.2. Thirty Day Grace Period. If Buyer/Grantor fails to perform any other obligation contained in this Deed of Trust or accompanying Promissory Note within thirty (30) days after written notice from Seller/Beneficiary specifying the nature of the default and what is necessary to cure. If the cure cannot reasonably be completed by Buyer/Grantor within such thirty (30) day period through the exercise of reasonable diligence, the failure by Buyer/Grantor to commence the required cure within such thirty (30) day period and thereafter to continue the cure with diligence and to complete the cure within ninety (90) days following the written notice from Seller/Beneficiary will constitute a default.

9.3. Bankruptcy; Insolvency. The commencement by Buyer/Grantor of a voluntary case under the federal bankruptcy laws or under other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Buyer/Grantor in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Buyer/Grantor to the appointment of a receiver, trustee, or custodian of Buyer/Grantor or of any of Buyer's/Grantor's property; an assignment for the benefit of creditors by Buyer/Grantor or Buyer's/Grantor's failure generally to pay debts as such debts become due.

9.4. Prohibited Transfer. Buyer's/Grantor's breach of Section 12 (Successor Interests) will constitute an immediate event of default hereunder, and Seller/Beneficiary may pursue all available remedies under Section 10, without first issuing a thirty (30) day notice to Buyer/Grantor under Section 9.2 (Thirty-Day Grace Period).

10. REMEDIES OF DEFAULT: In the event of a default, Seller/Beneficiary may take any one or more of the following steps:

10.1. Acceleration. Declare the entire balance of the principal and accrued interest, together with all other remaining sums under this Deed of Trust and accompanying Promissory Note, immediately due and payable.

10.2. Foreclosure. With respect to all or any part of the Property, the Trustee will have the right to foreclose by notice and sale, or by judicial foreclosure; in either case in accordance with and to the full extent provided by Oregon law.

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10.3. Other Remedies. Notwithstanding the preceding, Seller/Beneficiary may exercise any and all remedies available under Oregon law.

11. WAIVER: Failure of either party at any time to require performance of any provision of this Deed of Trust or accompanying Promissory Note will not limit the party's right to enforce the provision, nor will any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of this provision itself.

12. SUCCESSOR INTERESTS: This Deed of Trust and accompanying Promissory Note will be binding upon and inure to the benefit of the parties, their permitted successors, and assigns. However, no interest of Buyer/Grantor in this Deed of Trust, Promissory Note, or the Property, will be assigned, subcontracted, or otherwise transferred (whether for security purposes or otherwise), voluntarily or involuntarily, without the prior written consent of Seller/Beneficiary, which may be granted or withheld at Seller/Beneficiary's sole discretion. Consent by Seller/Beneficiary to one transfer will not constitute consent to subsequent transfers or a waiver of this section. Any attempted assignment, sale, or transfer by Buyer/Grantor, in violation of this section, will be void and of no effect with respect to Seller/Beneficiary and will constitute an immediate default under this Deed of Trust and accompanying Promissory Note.

13. PRIOR AGREEMENTS: Except as otherwise provided herein, this Deed of Trust and accompanying Promissory Note is/are the entire, final, and complete agreement(s) of the parties pertaining to the sale and purchase of the Property, and supersede and replace all prior or existing written and oral agreements between the parties relating to the Property.

14. NOTICE: Any notice under this Deed of Trust or accompanying Promissory Note will be in writing and transmitted to the party at the address stated herein, or such other address as either party may designate by written notice to the other.

15. APPLICABLE LAW: This Deed of Trust and accompanying Promissory Note has/have been entered into in the State of Oregon, and the parties agree the laws of Oregon will be applied in construing and enforcing them.

16. COSTS AND ATTORNEY FEES: Subject to Buyer's/Grantor's rights under Oregon trust deed law, if any litigation or arbitration is brought to enforce or interpret any of the terms of this Deed of Trust or accompanying Promissory Note, or if suit or action is instituted in a Bankruptcy Court for a United States District

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Court to seek relief from an automatic stay, to obtain adequate protection, or to otherwise assert the interest of Seller/Beneficiary in a bankruptcy proceeding, the party not prevailing will pay the prevailing party's attorney fees, costs and disbursements upon hearing, trial and any appeal therefrom.

17. SURVIVAL OF COVENANTS: Any covenants, the full performance of which are not required before Closing, will survive the Closing, and will be fully enforceable thereafter in accordance with their terms.

18. ACKNOWLEDGMENT: Seller/Beneficiary and Buyer/Grantor hereby acknowledge:

(a) they were given an opportunity to either use this Deed of Trust and accompanying Promissory Note forms provided by their respective real estate agent, or have the forms prepared by one or more attorneys of their choice;

(b) that by providing these forms, neither the real estate agents nor the forms provider, Oregon Real Estate Forms, LLC, are engaging in the practice of law;

(c) they have elected to use these forms and have had a reasonable opportunity to have them reviewed by attorneys of their choice;

(d) their respective real estate agents have not rendered any advice or recommendations regarding the specific financial or credit terms of this transaction;

(e) they are satisfied with, and understand, the terms contained these forms; and

(f) this Deed of Trust and accompanying Promissory Note will not be construed more strictly against any one party.

This Deed of Trust and accompanying Promissory Note are intended to be a legal and binding agreements. If they are not understood, seek competent legal advice before signing.

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19. BUYER/GRANTOR WARRANTY AND REPRESENTATION:

Buyer/Grantor warrants and represents to Seller/Beneficiary the proceeds of the Principal Balance identified in the accompanying Promissory Note are: (select one)

- (a) For commercial/investment/business purposes only; or
- (b) For personal, consumer, residential or household purposes.

(If left blank the purpose will be deemed to be “for commercial/investment/business purposes only.”) The preceding warranty and representation will constitute a conclusive presumption for purposes of interpretation and enforcement of this Deed of Trust and accompanying Promissory Note.

20. ORS 93.040(1) DISCLAIMER: BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON’S RIGHTS, IF ANY, UNDER [ORS 195.300](#), [195.301](#) AND [195.305 TO 195.336](#) AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN [ORS 92.010](#) OR [215.010](#), TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN [ORS 30.930](#), AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER [ORS 195.300](#), [195.301](#) AND [195.305 TO 195.336](#) AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

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The parties have caused this Deed of Trust to be executed below, and it will become effective as of the date and time of the last party to sign.

BUYER/GRANTOR:

BUYER/GRANTOR:

STATE OF OREGON)
) ss.
County of _____)

BE IT REMEMBERED, That on this ___ day of _____, 20___, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named _____ (Buyer(s)/Grantor(s)) and acknowledged he/she/they executed the foregoing instrument freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public for Oregon
My Commission Expires: _____

SELLER/BENEFICIARY:

SELLER/BENEFICIARY:

STATE OF OREGON)
) ss.
County of _____)

BE IT REMEMBERED, That on this ___ day of _____, 20___, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named _____ (Seller(s)/Beneficiary(ies)) and acknowledged he/she/they executed the foregoing instrument freely and voluntarily.



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IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public for Oregon
My Commission Expires: _____



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EXHIBIT A
(Attach Legal Description)

EXAMPLE: INFORMATION ONLY